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RETAIL PRICES AND BASIC WAGE RATES - SEPTEMBER QUARTER, 1965

CONSUMER PRICE INDEX

The Consumer Price Index measures quarterly, for each State Capital, the variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households. Commodities and services included in the index are food, clothing, drapery, home ownership, rent of privately owned and government owned houses, fuel, light, furniture, household appliances and supplies, fares, motoring, tobacco, cigarettes, beer, cinema, radio and television licences, newspapers, postal and telephone services, hairdressing, dry cleaning, and various other items.

The various commodities and services have been combined into groups, and group indexes are available for Food, Clothing and Drapery, Housing, Household Supplies and Equipment, and Miscellaneous.

The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city. The base of the index for each city and for the weighted average, six State Capitals, is year 1952-53 = 100.0. Group indexes also have separate bases for each group.

The Brisbane Consumer Price Index for September quarter, 1965, increased by 1.9 per cent from 135.7 to 138.3. This increase was more than twice that of 0.8 per cent for the previous quarter and was the greatest quarterly increase recorded since September quarter, 1956, when the rise was 2.1 per cent. The increase for the year ended September, 1965, was 4.9 per cent, the greatest increase since the year ended September, 1956, when it was 7.2 per cent.

The Food Group, which increased by 3.2 per cent from 145.0 to 149.7, accounted for over half of the quarterly increase in the All Groups index. The rise in the Food Group was due mostly to higher meat prices, with fresh milk and potato prices also contributing to the increase.

There was a slight increase of 0.1 per cent, from 120.1 to 120.2, in the Clothing and Drapery Group index.

The Housing Group index, which increased by 4.5 per cent from 150.4 to 157.1, accounted for over one-quarter of the increase in the All Groups index. Over three-quarters of the rise in the Housing Group was due to increased rates and charges, and increases were also recorded in the home ownership and rental sections of this group.

An increase of 1.0 per cent was recorded for the Household Supplies and Equipment Group, the index rising from 113.1 to 114.2. Higher prices for furniture were mainly responsible for the increase in this group.

There was an increase of 0.5 per cent in the Miscellaneous Group index, with the index rising from 142.4 to 143.1. Higher prices for motor car repairs (mechanics' labour) and also prices of men's and boys' hairdressing were mainly responsible for the increase in this group. Picture theatre admission prices increased slightly.

The Consumer Price Index increased in all State Capitals from the June quarter, 1965, to the September quarter, 1965. Percentage variations were as follows:- Brisbane, +1.9; Hobart, +1.3; Sydney, +1.2; Melbourne, +0.9; Adelaide, +0.6; and Perth, +0.5. The increase recorded for the weighted average of the six State Capitals was 1.1 per cent.

Since the base year, 1952-53, the rise in the retail price level has been greatest in Brisbane and smallest in Perth. Percentage increases from 1952-53 to September quarter, 1965, were as follows:- Brisbane, 38.3; Hobart, 37.0; Melbourne, 35.6; Sydney, 31.8; Adelaide, 30.7; and Perth, 30.0. The rise in the weighted average for the six State Capitals was 33.5 per cent. (It should be noted that these figures merely indicate rates of price rises in separate cities and do not represent in any way the relativities of actual price levels in the different cities.)

COMMONWEALTH AND STATE BASIC WAGE RATES

Commonwealth and State basic wage rates are reviewed by the appropriate Industrial Authorities from time to time. The last variation made by the Commonwealth Conciliation and Arbitration Commission was an addition of £1 to the male basic wage, with corresponding adjustments to the female and juvenile rates, and operated from 19th June, 1964. After the 1965 hearing by the Commission, a majority decision resulted in no alterations to basic wages.

The Queensland Industrial Conciliation and Arbitration Act of 1961 abolished automatic quarterly reviews of the State basic wage, but the Industrial Commission was empowered to vary the wage after a general hearing on the applications of interested parties. On 1st April, 1965, the Commission stated that, as a matter of policy, in future it did not propose to deal with an application to vary the basic wage solely because of a change in the Consumer Price Index unless such change warrants an alteration of 4s. or more in the basic wage. An increase of 5s. for males and 3s. 6d. for females was granted from 20th September, 1965. When handing down this judgment the Commission stated that it would not further review the basic wage prior to 1st July, 1966. Nevertheless, an application for an increase of 6s. for adult males was lodged with the Commission on 22nd October, 1965.

Basic Wage Rates - State Capital Cities

Capital City	Commonwealth Basic Wage			State Basic Wage		
	Males	Females	Date of Operation ^a	Males	Females	Date of Operation
	£ s. d.	£ s. d.		£ s. d.	£ s. d.	
Brisbane ..	14 10 0	10 17 6	19.6.64	15 14 0	11 15 6	20.9.65
Sydney ..	15 15 0	11 16 0	19.6.64	15 15 0	11 16 0	19.6.64a
Melbourne ..	15 7 0	11 10 0	19.6.64	15 7 0	11 10 0	June, 1964b
Adelaide ..	15 3 0	11 7 0	19.6.64	15 3 0	11 7 0	22.6.64a
Perth ..	15 8 0	11 11 0	19.6.64	15 17 10	11 18 5	26.7.65
Hobart ..	15 14 0	11 15 6	19.6.64	15 14 0	11 15 6	June, 1964b

a From the first pay period commencing on or after the date shown.

b Most Wages Boards adopted the Commonwealth rate during June, 1964.

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29th October, 1965.

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Table 1 - Consumer Price Index - Total and Group Indexes - Brisbane
(Year 1952-53 = 100.0)

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscell- aneous	All Groups
Year -						
1955-56	107.7	102.2	110.5	102.6	108.0	106.3
1956-57	111.5	104.7	118.4	106.5	118.9	112.0
1957-58	113.0	107.8	123.9	108.3	120.5	114.4
1958-59	119.8	109.4	128.4	109.0	123.6	118.2
1959-60	124.2	111.9	132.6	110.6	125.6	121.2
1960-61	130.4	115.1	137.6	111.3	129.5	125.4
1961-62	130.8	116.7	140.5	113.0	133.3	127.3
1962-63	129.8	117.0	144.0	112.8	134.4	127.7
1963-64	133.1	117.8	145.2	111.7	135.2	129.0
1964-65	141.5	119.5	149.0	112.7	140.9	133.9
Quarter -						
1964 - September ..	138.0	118.8	147.2	112.3	138.6	131.9
December ..	140.3	119.2	148.7	112.8	140.7	133.4
1965 - March ..	142.7	119.7	149.5	112.7	141.7	134.6
June ..	145.0	120.1	150.4	113.1	142.4	135.7
September ..	149.7	120.2	157.1	114.2	143.1	138.3
Percentage Increase or Decrease (-) on Previous Quarter						
Quarter -						
1964 - September ..	1.4	0.3	1.2	-	2.4	1.3
December ..	1.7	0.3	1.0	0.4	1.5	1.1
1965 - March ..	1.7	0.4	0.5	-0.1	0.7	0.9
June ..	1.6	0.3	0.6	0.4	0.5	0.8
September ..	3.2	0.1	4.5	1.0	0.5	1.9

Table 2 - Consumer Price Index - State Capital Cities
(Year 1952-53 = 100.0 for Each City and for Six State Capitals)

As the base for each city is 100.0, the indexes in the table below do not indicate relative price levels as between cities, but they may be used to compare relative price movements in the various cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Weighted Average Six State Capitals
Year -							
1955-56	105.7	108.1	106.3	106.9	107.9	110.2	106.9
1956-57	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1957-58	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1958-59	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1959-60	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1960-61	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1961-62	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1962-63	123.2	126.2	127.7	122.1	122.2	128.0	124.5
1963-64	124.5	127.1	129.0	123.5	123.8	129.4	125.7
1964-65	128.8	132.2	133.9	128.6	127.6	133.6	130.4
Quarter -							
1964 - September ..	127.3	129.6	131.9	126.9	126.6	131.7	128.5
December ..	128.4	131.8	133.4	128.6	126.6	133.4	130.0
1965 - March ..	129.1	132.9	134.6	128.9	128.0	134.0	130.9
June ..	130.3	134.4	135.7	129.9	129.3	135.2	132.1
September ..	131.8	135.6	138.3	130.7	130.0	137.0	133.5